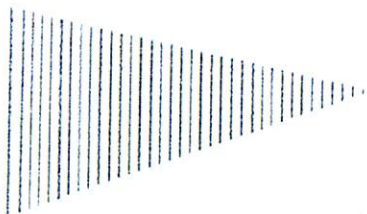


KC Tex Denmark ApS

Mysundevej 4, 8930 Randers NØ


CVR no. 32 29 15 97



Annual report 2015/16

Approved at the annual general meeting of shareholders on 29 November 2016

Chairman:


.....
Martin Abildgård Jensen



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Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditors' report on the financial statements	3
Company details	4
Financial statements for the period 1 July 2015 - 30 June 2016	5
Income statement	5
Balance sheet	6
Statement of changes in equity	7
Notes to the financial statements	8



Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of KC Tex Denmark ApS for the financial year 1 July 2015 - 30 June 2016.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 30 June 2016 and of the results of the Company's operations for the financial year 1 July 2015 - 30 June 2016.

We recommend that the annual report be approved at the annual general meeting.

Randers, 29 November 2016
Executive Board:

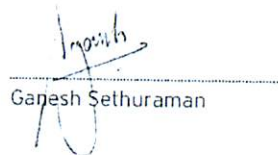


Martin Abildgård Jensen

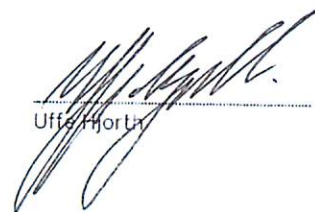
Board of Directors:



Ramesh Parasuraman
Chairman



Ganesh Sethuraman



Uffe Hjorth

Independent auditors' report on the financial statements

To the shareholders of KC Tex Denmark ApS

We have audited the financial statements of KC Tex Denmark ApS for the financial year 1 July 2015 - 30 June 2016, which comprise an income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulations. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 30 June 2016 and of the results of its operations for the financial year 1 July 2015 - 30 June 2016 in accordance with the Danish Financial Statements Act.

Aarhus, 29 November 2016
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Gert Foldager
State Authorised Public Accountant



Company details

Name	KC Tex Denmark ApS
Address, Postal code, City	Mysundevej 4, 8930 Randers NØ
CVR no.	32 29 15 97
Financial year	1 July 2015 - 30 June 2016
Board of Directors	Ramesh Parasuraman, Chairman Ganesh Sethuraman Uffe Hjorth
Executive Board	Martin Abildgård Jensen
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Værkmestergade 25, P.O. Box 330, 8100 Aarhus C, Denmark



Financial statements for the period 1 July 2015 - 30 June 2016

Income statement

Note	DKK	2015/16	2014/15
	Gross margin	635,544	1,050,847
	Financial expenses	-653,925	-754,027
	Profit/loss before tax	-18,381	296,820
3	Tax for the year	3,000	-70,312
	Profit/loss for the year	-15,381	226,508
	Proposed profit appropriation/distribution of loss	-15,381	226,508
	Retained earnings/accumulated loss	-15,381	226,508



Financial statements for the period 1 July 2015 - 30 June 2016

Balance sheet

Note	DKK	2015/16	2014/15
	ASSETS		
	Current assets		
	Inventories		
	Raw materials and consumables	22,938,216	24,778,671
		<u>22,938,216</u>	<u>24,778,671</u>
	Receivables		
	Trade receivables	12,947,114	13,170,461
	Deferred tax assets	3,000	0
	Income taxes receivable	66,118	0
	Other receivables	1,974,872	1,578,924
		<u>14,991,104</u>	<u>14,749,385</u>
	Cash at bank and in hand	1,606,237	1,009,295
	Total current assets	<u>39,535,557</u>	<u>40,537,351</u>
	TOTAL ASSETS	<u>39,535,557</u>	<u>40,537,351</u>
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	125,000	125,000
	Retained earnings	2,811,214	2,826,595
	Total equity	<u>2,936,214</u>	<u>2,951,595</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	352,378	258,119
	Payables to group entities	36,127,910	37,123,873
	Income taxes payable	0	93,528
	Other payables	119,055	110,236
		<u>36,599,343</u>	<u>37,585,756</u>
	Total liabilities other than provisions	<u>36,599,343</u>	<u>37,585,756</u>
	TOTAL EQUITY AND LIABILITIES	<u>39,535,557</u>	<u>40,537,351</u>

- 1 Accounting policies
- 2 The Company's principal activities
- 4 Contractual obligations and contingencies, etc.



Financial statements for the period 1 July 2015 - 30 June 2016

Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 July 2015	125,000	2,826,595	2,951,595
Profit/loss for the year	0	-15,381	-15,381
Equity at 30 June 2016	125,000	2,811,214	2,936,214

Financial statements for the period 1 July 2015 - 30 June 2016

Notes to the financial statements

1 Accounting policies

KC Tex Denmark ApS' annual report for 2015/16 has been prepared in accordance with the provisions which apply to reporting class B entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Income from the sale of goods for resale and finished goods is recognised in revenue when transfer of the most significant rewards and risks to the buyer has taken place and provided that the income can be reliably measured and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2010.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Gross margin

The items revenue, production costs and other operating income have been aggregated into one item in the income statement called gross profit/loss in accordance with section 32 of the Danish Financial Statements Act.

Financial expenses

Financial expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.



Financial statements for the period 1 July 2015 - 30 June 2016

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

The cost of raw materials and consumables comprises the cost of acquisition plus delivery costs.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other expenses directly attributable to the acquisition.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Equity

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.



Financial statements for the period 1 July 2015 - 30 June 2016

Notes to the financial statements

1 Accounting policies (continued)

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

Other liabilities are measured at net realisable value.

2 The Company's principal activities

The Company is primarily engaged in trading in industrial textiles and related products.

DKK	<u>2015/16</u>	<u>2014/15</u>
3 Tax for the year		
Estimated tax charge for the year	0	70,312
Deferred tax adjustments in the year	<u>-3,000</u>	<u>0</u>
	<u>-3,000</u>	<u>70,312</u>

4 Contractual obligations and contingencies, etc.

Other contingent liabilities

None.